SUBMITTED BY:

SOUMI PAUL

CONSUMER ATTITUDE TOWARDS BRAND EXTENSION AND ITS FEEDBACK EFFECT ON PARENT BRAND IMAGE: WITH SPECIAL REFERENCE TO CONSUMER DURABLE PRODUCTS

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Supervisor
Prof. (Dr) Saroj Kumar Datta
Co – Supervisor
Dr. Ankur Roy

Submitted by

Soumi Paul

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Introduction

A large number of new products in different categories are launched every year. With increasing competition in most markets, consumer demand for the new product is likely to grow rapidly. Factors such as increasing competition and growing advertising costs have made the successful implementation of a new product more difficult in recent years (Aaker, 1996).Increased competitive business environment forces the companies differentiate themselves from competitors in order to survive and take advantage of the current opportunities of growth. One way to differentiate from competitors is the establishment of strong brands that allow companies to increase the efficiency of their marketing expenses (Keller, 1993).The big idea behind most brands is usually very simple. The key variable is what distinct emotional space they create in a consumer's mind .A successful brand can easily provoke an emotional link between a consumer and the brand. A brand that is not considered cannot be chosen (Baker et al. 1986). Further, the probability of the brand being chosen is a condition of a number of other brands in the consideration set. Consumers may employ heuristics (decision rule) to buy only familiar, well established brands (Roselius 1971; Jacoby et al. Both cited in Keller 1993).A strong brand is a promise to consumers and a means to set their expectations. The importance of brands is not only measured in terms of the competitive advantages that they provide in their present markets but also the future opportunities that they provide in untapped markets (Srivastava and Shocker, 1991).As a result a company has developed capability to use brand name as and when it desires. One choice is to introduce an entirely new brand name for a new product line, for example, Coca-Cola launched new beverages under the name of Fruitopia. Another option is using an existing brand in conjunction with a new brand, known as sub-branding or nested branding. A sub-brand, such as Weight Watchers Smart Ones, adjoins an existing brand name with a new product. The most common and successful ways for marketers to expand their portfolios, while reducing launch costs as well as the risk of product failure, is the concept of brand extension, defined by Fox et al (2001) as the process of providing a new product, created in another category, under the name of an existing brand.The use of brand extensions as a strategy to achieve growth has drastically increased in recent years. In fact, between 80 and 90% of new products are launched under the name of an existing brand (Völckner and Sattler, 2006). Many firms have benefitted from their well-established brand name by adopting the strategy of brand

extension (Aaker&Keller,1990).The present study considers ,brand extensions which are introduced in a different category from the existing business (De Pelsmacker et al., 2007). Brand extension has many positive effects, but if it is used incorrectlyand new products do not meet consumer expectations, it may harm the company's brand image. According to the reports published in FEB, 2009 ,IMRB, a leading market research agency, domestic consumer goods companies have utilized product line and brand extensions to minimize the effect of the financial crisis. Several multinational industries have increasedtheir domestic market share to take this opportunity. To achieve success in long race, a robust and efficient distribution network is the key component of the organizations along with generating new ideas and ways of product promotion, financing, etc. Clear discrimination their product's relevance to the consumers from other market competitors also plays a critical role here. It will be interesting to observe the strategy opted by the consumer durable industries to sustain growth in the context of the above mentioned scenario.

Research background

Competition is very keen and intense in any market nowadays. As such, gaining competitive advantage in a cost effective way and enlarging thecustomer baseisthe most crucial objective for the brand managers to pursue. It is well noticed that in consumer durable industry marketers employ brand extension strategy to achieve these goals. Brand extension strategy provide the most benefits to the companies interms of more favorable perception of the products by the consumers, greater loyalty, less vulnerability to competitors' marketing actions, high profit margins, less negative reactions by consumers in case of price increases, higher support of middlemen, higher marketing promotion effectiveness, increasing licensing and brand extension opportunities(Keller, 2008).The justification behind the brand extension is simple: when a strong brand has been established, the brand has moved beyond the functional product into a realm of values. It makes economic sense to try to deliver the same emotional benefits in a different market (Mortimer, 2003).

Völckner and Sattler (2006)have agreed to the fact that brand extension is considered as one of the frequently employed strategies in the present marketing domains. Implementing this strategy firm can capture new markets by utilizing an existing, well-known brand name in support of new products introduced as brand extensions, reducing both the cost of launching new products and the risk of product failure.

The acceptance of brand extension is primarily due to the benefits that both brand and extension provide (Keller, 2003). On the one hand, the product commercialized under a well-known brand is more appealing to the consumers (Aaker and Keller 1990)and receive superior supplier and partner support . On the other hand, brand extensions strengthen an old brand image , which make consumers purchase other products offered by the same brand (Chen and Liu, 2004). All this simply allows an increase of the market share and effectiveness of marketing efforts (Smith and Park, 1992). Other benefits are the transfer of intangible components of the brand such as brand awareness, trust or other specific brand associations (Broniarczyk and Alba, 1994) stored in the consumers' minds to the newly introduced extension. For example, Apple computer is associated with user friendliness and this association is not strongly associated with other computer brands or with the product class as a whole. Apple has been able to extend successfully its brand by transferring associations of user friendliness of its simple architect of personal computers to the extensions like an iPod, iPhone etc.

Statement of the research problem

The greatest risk with brand extension is cannibalism of sales and dilution of the parent brand. This is because, it will have greater probability to increase these risks when extensions are inconsistent with the brand image or that fail with regard to consumer expectations. One of the potentially risky strategies involves the launching of unsuitable brand extensions that erode extended brand benefits and associations (Martı´nez and de Chernatony, 2004). However, so far there is no clear understanding of the dilution of the parent brand image and the mainfactors leading to consumer evaluations of a brand extension as well as its feedback effect in particular consumer durable industry in India.

Research questions

The main research question of this study can be framed as ,

Whether there is any dilution of the parent brand image after brand extension in the presence of a high degree of fit perception in particular consumer durable market?

Also a few more research questions as mentioned below can subsequently to be considered in order to substantiate the main question in point:

What are the factors that consumers mainly considers when evaluating an brandextension?

Are there any specific kinds of factors that influence the evaluation of feedback process? If yes, which are those ?

What are the implications in the areas of branding and promotions for consumer durable products in India?

Research Objectives

To investigate whether brand extensions have a negative impact on the parent brand image.

To specify those situations that may influence enhancement or dilution of the overall brand image.

To investigate the major determinants (or drivers) of successful brand extensions and feedback effects on the parent brand when considered simultaneously.

To suggest a suitable strategy for successful implementation of brand extensions in consumer durable market.

Research methodology

The primary research method would be employed in this study. This is implemented by the means of a survey based questionnaire and convenience-sampling approach is adopted for the survey. The survey investigates on the consumer attitude towards brand extension and its feedback effect on consumer durable industry in the state of WestBengal ,India .

Significance of the study

According to literature, brand extensions may give rise to either a "forward" effect from the parent brand to the new product and a "feedback" or "backward" effect from the new product to the parent brand (Milberg et al., 1997: Balachander and Ghose, 2003). There is not only a direct effect emerging from conferring the value of the parent brand upon the brand extension. Brand extensions might also conversely lead to a potential feedback effect on the parent brand. Subsequently, brand extension research on reciprocal effects and the consequence of core brand enhancement and dilution mainly focused on attitudinal changes towards the core brand. If the feedback effect turned out to be negative then the brand extension is diluting the parent brand image. If the result makes a negative impact to the already recognized brand image then there are scopes for the concern to put a second thought whether

the extension really fits or it is an ill-fitting one. Neglecting this potential backward effect affords a limited view of consumer behavior and may lead to inappropriate marketing actions.

Chapter 2 Consumer durable industry and its development in the field of brand extensions

India's consumer market is riding the crest of the country's economic boom. Driven by a young population with access to disposable income and easy finance options, the consumer market has been throwing up staggering figures. The market share of MNCs in consumer durables sector is 65 percent. MNCs major target is the growing middle class of India. MNCs offer superior technology to the consumers whereas the Indian companies compete based on firm grasp of the local market, their well-acknowledged brands, and hold over wide distribution network. The Indian consumer durables industry, potential to grow to Rs. 300 billion and is expected to reach Rs. 52,000 by 2015 according to ASSOCHAM. This is an immense opportunity ahead for the Indian arm of the world's fastest growing industry, which has not been able to achieve its full potential. The Indian consumer durables industry can be segmented into three groups' namely consumer appliances (Television, refrigerator etc.), consumer electronics (Mobile phones, DVD players) and others (wristwatches, shoes etc.).

Market research agency, IMRB, has recently reported that Indian consumer goods companies have resorted to brand and product line extension for launching new products in a more cost effective way (FEB 2009). Several Indian and MNC players are looking to strengthen their presence in India to leverage this opportunity. Success in the long-term will require firms to develop a wide and robust distribution network, differentiate their products in areas of relevance to the consumer and innovate in the areas of product, promotion, financing, etc. In the context of the above scenario, it is interesting to study how the consumer durables industry in India is set for sustained growth over the long term.

Chapter 3: literature review and development of research hypotheses

Throughout this section, researches about the consumer evaluation process of brand extension will be reviewed. According to Klink and Smith (2001), understanding how consumers evaluate brand extensions is important in determining how an extension can be successfully implemented.

Brand extension investigation has a twofold impression in our past research works. Earlier the brand extension research was mainly focused on the drivers of successful brand extension (e.g. Bottomley and Holden, 2001, Czellar, 2003, Vo¨lckner and Sattler, 2006, Vo¨lckner and Sattler, 2007). Brand equity is defined in terms of the effects uniquely attributable to the brand. Thus, customer-based brand equity is

evaluating the consumer's response to a brand name (Keller 1993, Shocker et al. 1994). In brand extension research, brand equity is predominantly considered as consumer based rather than company based. The success or failure of brand extension is mainly dependent on the consumer evaluation of brand extension (Klink and smith, 2001). Therefore, the present research first intends to know consumers attitude towards brand extension. As an important area of research, Substantial research has been done on how consumers evaluate brand extensions (e.g.; Keller, 2003; Balachander and Ghose, 2003). Clarity of a brand image, consistency of good experience, faith of consumers, creates the scope of brand extension (Keller, 2008, p. 49). The study proposes brand extension decision should be in the brand managers' mind only when they realize that their brands receive a great positioning in terms of strong image in consumers mind through good experience, faith and brand association. Moreover, the image after an extension is predicated by the initial image (Martı´nez and Pina, 2003).As an important area of research, Substantial research has been done on how consumers evaluate brand extensions (e.g.; Keller, 2003; Balachander and Ghose, 2003).Given the popularity and importance of brand extension strategy on the one hand, and a brand extension failure rate of about 80 per cent on the other, it is pivotal to know which factors influence brand extension success (Völckner and Sattler, 2006).

In a very recent time there is some concerned contribution towards the feedback effect of brand extension to make the strategy more risk proof (e.g. Balachander and Ghose, 2003, Broniarczyk and Gershoff, 2003, Keller and Sood, 2003, Lane and Jacobson, 1997). Finally, the study may give the firms an idea about dilution effect of the extension on the parent brand image. This is necessary to know consumer attitude towards brand image after extension because, this feedback or reciprocal effect might turn out to be either positive or negative (Zimmer &Bhat 2004).Moreover sometimes successful brand extensions may dilute the brand's position and image and weaken associations in consumers' minds (Mason and Milne, 1994; Völckner et al., 2008). Although it is advantageous for the company to extend their brand in order to serve a new category, however it can also be confusing for the consumers to see the same brand's products across several line of business.

Brand extension literature table

Major findings	Constructs	Relevant literature

Factors affecting extension evaluation	Initial brand image	Cegarra & Merunka , 1993; Speed, 1998 ; Turpin , 2005;Isabel Buli, Laslie de Chernatony ,Leif E. Hem, (2009)
	Direct effect of category fit	Aaker & Keller, 1990; Boush & Loken, 1991; Keller & Aaker, 1992; Bottomley & Doyle, 1996; Flaherty & Pappas, 2000; Bottomley & Holden, 2001; Bhat & Reddy, 1997, 2001; Klink & Smith, 2001, Eva Martínez, José M. Pina, (2010)
	Direct effect of brand fit	
	Knowledge transfer from the parent brand to the extension:	Park, Milberg & Lawson, 1991; Bhat & Reddy, 1997, 2001 ; Eva Martínez, José M. Pina, (2010)
	Brand knowledge	
	Category knowledge	Alba and Hutchinson , 1987; Roux and Boush(1996) ;

	Consumer characteristics Consumer innovativeness	Ahluwalia & Gürhan-Canli, 2000; Peter and Olson (2005). Muthukrishnan and Weitz's (1991); Bei and Heslin, 1997; Peter and Olson (2005). Klink & Smith, 2001; Roehrich , 2004 ; Xie yu Henry (2008).
Impact of brand extension on parent brand's image	Evidence of positive reciprocal or feedback effect Evidence of dilution or negative reciprocal or feedback effect	(Aaker, 1990); (Sharp, 1993);Martinez Chernatony, 2004; Martinez Pina, 2003; Vo¨lckner et al., 2008; Martinez et al., 2008b; Martínez and Pina, 2009; Arslan and Altuna, 2010). Keller and Sood (2002);Martinez and de Chernatony (2004) ;

		F. Mu¨ge Arslan and Oylum Korkut Altuna (2010)
Variables effect on core brand feedback	Consumer attitude towards brand extension	Aaker & Keller (1990) ; boush and Loken , (1991);Gürhan-Canli & Maheswaran, 1998; Ahluwalia & Gürhan-Canli, 2000; Chen & Chen, 2000 ,Klink and Smith , 2001; Mao et al (2006)
	Initial brand image	Lee and Ulgado , 1993 ;Lane and Jacobson , 1997; Martinez and Pina , 2003 ; Martinez and de Chernatony ; 2004;
	Brand fit	Smith and Park , 1992 ; Morrin , 1999; Ian Grime, Adamantios Diamantopoulos, Gareth Smith, (2002)

	Category fit	;Martínez, José M. Pina, (2010) Sunde & Brodie, 1993; Broniarczyk & Alba, 1994; Ian Grime, Adamantios Diamantopoulos, Gareth Smith, (2002) ;Martínez, José M. Pina, (2010)
Conceptualization and empirical evidence on the two dimensions of the fit construct	Category fit and Brand fit	Park, Milberg & Lawson, 1991; Park & McCarthy, 1993, Bhat & Reddy ,1997, 2001; Bridges, Keller & Sood, 2000; Swaminathan, Fox & Reddy, 2001 ; Grime et al. , 2002 ; Czellar , 2003; VÖlckner & Sattler 2006; Ahluwalia 2008.
Consumer knowledge is multidimensional. Category knowledge ,Brand knowledge -These two types of consumer knowledge were found to have different effects on information search behavior	Category knowledge and brand knowledge	Brucks 1986 ; Bei and Heslin 1997; Fiske et al. 1994; Yun Ma , 2005

and brand evaluations.		

Research gap

In brand extension literature

Substantial research has been done on how consumers evaluate brand extensions (e.g. ;Keller,2003;Balachander and Ghose ,2003) but we know very little about the reciprocal effects of an extension on the parent brand (Sheinin, 2000). Brand extension research revealed mixed support for the existence of either positive or negative feedback effects influencing parent brand equity (Swaminathan et al. 2001). Brand extensions produce feedback effects that may enhance or dilute the equity of the parent brand (Swaminathan, Fox and Reddy, 2001).The researchers are much more concerned about the fact, that is, the dilution of parent brand equity (Keller, 2003; Morrin, 1999). This paper is one of the first to empirically examine and show that consumer evaluations of extensions and feedback effects on parent brand in Indian context.

One of this potentially risky strategies involves the launching of unsuitable brand extensions that erode extended brand benefits and associations (Martı´nez and de Chernatony, 2004; Diamantopoulos et al., 2005). However, so far there is no clear understanding of the main variables leading to spillover effects between brand extensions and parent brands and their relative influence.

Brand extension research in particular durable industry

No study has been conducted on consumer attitude towards brand extension and its feedback effect in a single study for consumer durables. Thus, the present study expands previous research by testing both the brand extension evaluation process and the later influence on brand image, in particular, consumer durable industry. Moreover, the fewest study we find on brand extension most of them are lab experiment executed on limited number of variables, thus lacks in terms of overall reliability. Consumer knowledge and consumer innovativeness are not been taken into account while conducting Brand

extension research for consumer durables. The present study extends this research by addressing consumer fit perception and consumer knowledge with dimensional significance.

Proposed hypotheses

In responding to the main research question of whether there is a brand image dilution in the presence of a high degree of perceived fit and to know the limits that the evaluation of new products imposes on the brand extension strategy , this chapter proposes several hypotheses.

H1: Any brand extension will have a dilution effect on the image of the parent brand.

H2: The more positive the initial brand image, the more favorable the attitude to the extension.

H3: The more positive the initial brand image, the more favorable the feedback effect.

H4: The greater the product category knowledge, the more favorable the attitude to the extension.

H5: The greater the brand image knowledge, the more favorable the attitude to the extension.

H6: The greater the perceived category fit between the extension and the core brand, the more favorable attitude to the extension.

H7: The greater the perceived image fit between the extension and the core brand, the more favorable attitude to the extension.

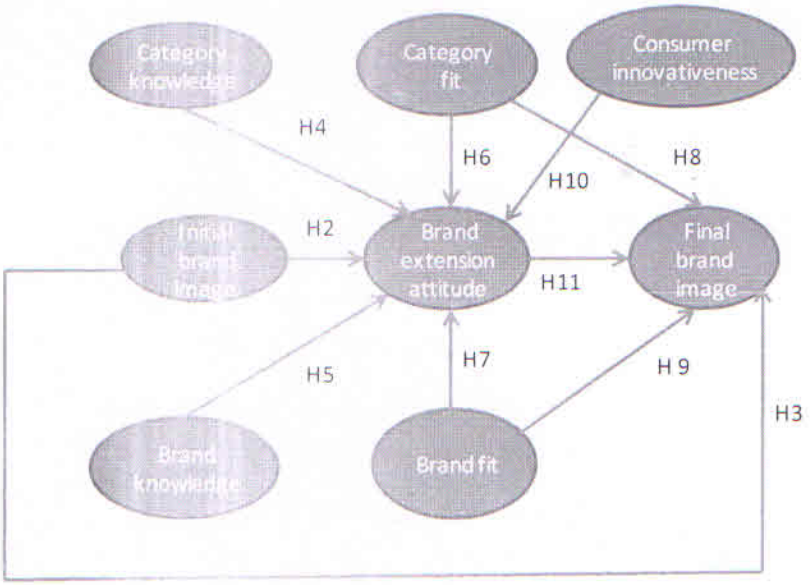
H8: The greater the perceived category fit between the extension and the core brand, the more favorable the feedback effect on the extended brand.

H9: The greater the brand fit between the extension and the core brand, the more favorable the feedback effect on the extended brand.

H10: The greater consumer innovativeness, the more favorable the attitude to the extension.

H11: The better the attitude to the extension, the more favorable the feedback effect on the extended brand.

Proposed model:



Chapter 4: Research Methodology:

This section elaborates the research methods and tools that will be used in this study.

Research Design

Research type	:	Descriptive research
Data Type	:	Primary data
Research instrument	:	Questionnaire

Sampling Design

Sampling technique	:	Convenience sampling and face-to-face survey methods
Sample size for each brand	:	Titan – 276; Sony – 324; Nike – 320; Apple – 333; Nokia - 321
Area	:	West Bengal urban

To achieve the above-mentioned objectives, following Tests are applied:

a) Cronbach's alpha test – to check the reliability of data

b) Descriptive statistics and paired sample t test – In order to test the statistical significance of feedback effect (enhancing or diluting).

c) Confirmatory factor analysis (CFA) - to verify the factor structure of a set of observed Variables.

d) Structural equation modeling –

1) To quantify the relations by testing the success factors on both the brand extension evaluation process and the later influence on brand image.

2) To give a ranking of the major determinants of brand extension attitude and feedback effects on the parent brand when considered simultaneously.

Chapter 5: Data analysis, results and discussion

The below shown result is just a snapshot of the whole analysis. The detailed analysis of all the brands and there tabulations has been done in the thesis.

The table underneath shows the analysis for the SONY brand, which consists several diverse product categories .

Reliability Statistics

Cronbach's Alpha	N of Items
.920	28

Table 1

the internal consistency estimates of all the scales are above the cutoff point of 0.7 as recommended by Nunnally and Bernstein (1994). Therefore, it could be said that the data obtained for the present study is highly reliable.

Paired sample t test

Initial brand image and brand image after extension (paired sample t test)

Brand image	Before extension	After extension	t value	Significance (p)
SONY	3.8796 (IBI)	3.7662 (FBI)	1.652	.099

Table 2

Table 2 shows the means, t-values and significance values of initial brand image and final image after extension for the overall sample. The mean for brand image before extension for the Sony sample is 3.89 whereas the mean of the brand image after the extension is 3.77. The results of the experiment indicate that there is a drop of brand image but not statistically significant.

SONY Measurement model

A Confirmatory factor analysis was executed to appraise the association between measures and data. Each item or component was restricted to load on its pre specified factor with the eight first-order factors allowed to correlate freely. Results as interpreted by the goodness of fit measures indicated that the model fits the data well. Since the chi square statistics is sensitive to sample size, additional fit measures (independent of sample size) were calculated to assess the fit. This Sony model achieved .861 ,.900, .934 , .935, .920 for AGFI ,GFI , CFI , IFI and TLI, respectively (values of .90 or greater are recommended for an acceptable fit); and 0.056 for RMSEA (Value of .06 or less is recommended for an acceptable fit , Hu & Bentler ,1999) . The chi-square value divided by the degrees of freedom is 2.008, being below three confirm an acceptable fit.

Assessment of Validity

We assessed the validity of the scale to know whether the items measure the intended concept. Three different types of validity were examined.

Convergent validity

For a convergent validity check, we followed Bagozzi and Yi.s (1988) suggestions that all items loaded on their hypothesized dimensions and the estimates were positive and significant. As Table 5 and 6 reports, all items demonstrated adequate convergent validity.

Construct validity

Construct validity is the extent to which a set of measured items truly reflects the specified theoretical latent construct those items are intended to measure. Construct validity was evidenced by the large and significant standardized loadings, with an average loading size of .70. Composite reliability, which is a estimate of internal consistency analogous to Cronbach.s alpha (Fornell and Larcker 1981), was higher than the minimum recommended level of 0.60, and in every dimensions of construct it exceeded the preferred level of 0.7 (Churchill 1979).

Discriminant validity

To establish discriminant validity, the variance shared between a construct and any other construct in the model need to be assessed (Fornell et al., 1982) . This was done by comparing the square root of the average variance extracted for a given construct with the correlations between that construct and all other constructs .If the square roots of the AVEs were greater than the off-diagonal elements in the corresponding rows and columns , it suggested that the given construct was more strongly correlated with its indicators than with the other constructs in the model . In case of Sony brand discriminant validity is achieved.

SONY Path analysis

Next, the tests for the hypotheses were conducted by examining the significance of the latent variable path estimates. The hypothesized relationships in Figure 1 were tested using AMOS 18.0 (Arbuckle, J. L. 2007) through path analysis. As shown in Table 4, the results indicated a good fit of the model: the ratio of chi-square to degrees of freedom and CFI are all in acceptable range (x2/df = 1.990, AGFI = 0.862, GFI = 0.900, CFI = 0.934, TLI = 0.921, RMSEA = 0.055).

Hypothesis	Path	Path estimates	t value	Significance	A / NA
H2: The more positive the initial brand image, the more favorable the attitude to the extension.	Initial brand image and attitude towards extension	.140	2.655	.008< .05	A
H3: The more positive the initial brand image, the more favorable the feedback effect.	Initial brand image and feedback effect on the extended brand	.515	6.595	.000 < .05	A
H4: The greater the product category knowledge, the more favorable the attitude to the extension.	Product category knowledge and attitude towards extension	.277	3.328	.000 < .05	A
H5: The greater the brand image knowledge, the more favorable the attitude to the extension.	Brand image knowledge and attitude towards extension	.032	.518	.605> .05	NA
H6: The greater the perceived category fit between the extension and the core brand, the more favorable attitude to the extension.	Perceived category fit and attitude towards extension	.519	5.048	.000 < .05	A

H7: The greater the perceived image fit between the extension and the core brand, the more favorable attitude to the extension.	Perceived image fit and attitude towards extension	.335	2.352	.002< .05	A
H8: The greater the perceived category fit between the extension and the core brand, the more favorable the feedback effect on the extended brand.	Perceived category fit and feedback effect on the extended brand	.364	2.435	.015< .05	A
H9: The greater the brand fit between the extension and the core brand, the more favorable the feedback effect on the extended brand.	Perceived brand fit and feedback effect on the extended brand	-.082	-.599	.549> .05	NA
H10: The greater consumer innovativeness, the more favorable the attitude to the extension.	Consumer innovativeness and attitude towards extension	-.124	-1.234	.217> .05	NA
H11: The better the attitude to the extension, the more favorable the feedback effect on the extended brand.	Attitude towards extension and feedback	.450	2.972	.003< .05	A

	effect on the extended brand				

Table 3 - Hypotheses

Results and discussion

The result of Paired sample t test indicates a drop of brand image after introducing an extension. However, the image dilution is still not significant but companies with huge and diverse range of consumer durable products may take caution while extending their brand for new product launch. In answering the main research question whether there is enhancement or dilution after high fit brand extension and limits that the evaluation of new products imposes on the brand extension strategy in case of a broad durable brand like SONY we have tested several hypotheses. The effect of initial brand image on extension attitude is significant and positive, as proposed in H3. Therefore, consumers will prefer the brand extensions of companies that have managed to build and communicate positive brand associations. Results show that consumer evaluations of extensions for a broad brand like Sony the effect of these strategies on parent brand image differ according to the fit perceived by consumers. Supporting H4, category fit seems to be a clear determinant of extension attitude. In the same way, extension attitude is significantly dependant on image fit, which confirms H5. Despite showing a relatively high and positive coefficient, the effect of image fit is comparatively less significant than category fit. Consumers may find more category relevance in SONY smart watch extension instead of image consistency .Consequently, consumers will prefer those extensions marketed in a category that fits the brand portfolio, especially in terms of general brand associations. Lack of statistical significance reveals that consumer innovativeness is not major determinant in forming consumer attitude towards brand extension H6. With respect to H9, extension attitude has a positive and significant effect on brand image variation. Hence, the more favorable the attitude to the extension is, and the more favorable the attitude toward the extended brand will be. Perceived category fit has direct effect on brand image variation, which accepts H7. The lack of significance in brand image fit on brand image variation H8 is indicator of no particular brand association of a broad brand like Sony. Because of the high need of brand association, companies launching brand extensions will have to avoid damaging their brands with

low image fit products. Category knowledge has a direct and significant influence on brand extension attitude, as proposed in H1. Brand knowledge seems to have no significant effect on extension attitude H2 .So for a broad brand like SONY category knowledge may lead to a better assessment of the extension, whereas brand knowledge is not significant because consumer fail to identify any particular brand association. In the case of H 10, data reveal a significant positive effect of initial brand image on final image.

Chapter 6: Summary and Conclusions

Broad brands like SONY run the risk of being perceived as brands that are not clearly associated to a specific market, increasing chances of deteriorating their image with new launches. So firms have to strive to reach some coherence with brand image, in their different markets. Too many brand extensions can corrode the values and images of the brand, they can make the brand become too diluted (Hoyer and Macinnis, 2009).Brand extension research on reciprocal effects and the consequence of core brand enhancement and dilution mainly focused on attitudinal changes towards the core brand.

If managers feel the dilution is occurring because of a product level similar extension, the product level similarity or the relatedness of the existing product class and the extension product class to be redirected to incorporate the effects of brand concept consistency.

In comparison to introducing a new brand name, brand extensions will increase consumer trust and reduce the weight of consumer innovativeness as a risk reliever. The findings reveal that, in evaluating brand extensions, two types of consumer knowledge were found to have different effects in extension evaluation. It will help marketers for promotional and marketing differentiation in case of positioning an extension. This paper identifies certain key attributes for a broad durable brand like SONY that enhances consumer attitude towards brand extensions as well as feedback effect. Consumer attitude towards brand extension depends on Initial brand image, category fit, category knowledge , brand fit where as the feedback effect mainly depends on initial brand image ,category fit and consumer attitude towards brand extension. According to the study the emphasis is on the image consistency or image fit of the extension with the parent brand, the absence of which increases the chances of dilution of the parent brand.

Future Scope and limitation of the study

In future work, it would be interesting to confirm the supported relationships with real extensions because Consumers may have difficulties imagining the hypothetical extensions' effects on brand image. Moreover, further studies may consider change in brand equity after the extension as an explanatory variable. Researchers can use alternative approaches and different methods to understand the drivers for retaining the established parent brand image after extension too.

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